



COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No: 89/LM/Oct11

In the matter between:

REDEFINE PROPERTIES LIMITED

PRIMARY ACQUIRING FIRM

And

FIRST NATIONAL BANK PENSION FUND
in respect of the Letting Enterprise at
155 West Street Sandown, Sandton

PRIMARY TARGET FIRM

Panel : Andreas Wessels (Presiding Member)
Andiswa Ndoni (Tribunal Member)
Medi Mokuena (Tribunal Member)
Heard on : 13 December 2011
Order issued on : 13 December 2011
Reasons issued on : 21 December 2011

REASONS FOR DECISION

Approval

- 1] On 13 December 2011 the Competition Tribunal ("Tribunal") approved the large merger between Redefine Properties Ltd and the First National Bank Pension Fund in respect of the Letting Enterprise at 155 West Street Sandown, Sandton. The reasons for approving the proposed transaction follow below.

Parties to the transaction

- 2] The primary acquiring firm is Redefine Properties Ltd (“Redefine”), a public company listed on the Johannesburg Stock Exchange Ltd. Redefine is not controlled by any specific firm.¹ It controls a number of firms.²
- 3] Redefine is a property loan stock company with a diversified property portfolio throughout South Africa comprising retail, industrial and office space.
- 4] The primary target firm is the First National Bank Pension Fund (“FNBPF”) in respect of the Letting Enterprise at 155 West Street, Sandown, Sandton. This Letting Enterprise is an A-grade office park in Sandton. It comprises two properties (Erven 366 and 367 Extension 19 Sandown) and the property letting business which at present is being leased to a single tenant.

Transaction and rationale

- 5] In terms of the Sale Agreement, Redefine intends to acquire from the FNBPF the above-mentioned property, all rights and obligations of the FNBPF in terms of the leases in the respect of the property, goodwill and all other assets necessary to carry on the Letting Enterprise.
- 6] Redefine wishes to expand its existing property portfolio by acquiring additional A-Grade office space.
- 7] FNBPF seeks to realise the value of the investment that it has made and to exit the commercial property letting market.

Relevant market and competition assessment

- 8] The Competition Commission (“Commission”) found a horizontal overlap in the activities of the merging parties in the market for A-Grade office space in the Sandton and environs node in the Johannesburg area. The Commission concluded that the proposed transaction is unlikely to

¹ See page 20 of record.

² See page 21 of record.

substantially prevent or lessen competition since the merging parties' combined post-merger market share in this market will be less than 10%.

9] The proposed transaction furthermore will have no adverse effects on employment or any other public interest consideration.

10] We accordingly approve the merger without conditions.

ANDREAS WESSELS

21 December 2011
DATE

Andiswa Ndoni and Medi Mokuena concurring

Tribunal researcher:	Thabo Ngilande
For the merging parties:	Bowman Gilfillan
For the Commission:	Bheki Masilela